



FEDERAL TAX RETURN PREPARERS: WHAT YOU SHOULD KNOW

PTIN: Tax return preparers who receive compensation to prepare all or substantially all of any federal tax return or claim for refund must register with the IRS and get a Preparer Tax Identification Number (PTIN). The initial fee is \$64.25 and the annual renewal is \$63. Anyone with a PTIN is authorized to prepare federal tax returns.

The PTIN renewal period begins each year in October for the upcoming year. Locate your user name and password before you start the process or see our troubleshooting tips at www.irs.gov/ptin.

ADDITIONAL QUALIFICATIONS: In addition to having a valid PTIN, there are several categories of tax return preparers with differing qualifications, credentials and types of expertise. Individuals with a professional credential have mandatory education, licensing and competency requirements after successfully completing nationally recognized examinations, as identified below.

Credentialed Preparers

Attorneys: Licensed by state courts or their designees, such as the state bar. Generally, attorneys have earned a degree in law and passed a bar exam. They have unlimited representation rights and may represent clients before the IRS on any matters.

Certified public accountants (CPAs): Licensed by state boards of accountancy and other agencies, CPAs have completed a study in accounting at a college or university and passed the Uniform CPA Examination. They have unlimited representation rights and may represent clients before the IRS on any matters.

Enrolled agents: Licensed by the IRS, enrolled agents have passed a three-part Special Enrollment Examination, which is a comprehensive exam that requires them to demonstrate proficiency in federal tax planning, individual and business tax return preparation, and representation. They also have unlimited representation rights and may represent clients before the IRS on any matters. For more information on becoming an enrolled agent, visit www.irs.gov/Tax-Professionals/Enrolled-Agents, or see Publication 4693-A, A Guide to the Enrolled Agent Program.

Optional qualification for non-credentialed tax return preparers

Annual filing season program (AFSP): This program recognizes the efforts of non-credentialed return preparers who aspire to a higher level of professionalism. The IRS will issue an Annual Filing Season Program - Record of Completion to tax return preparers who meet certain continuing education requirements in preparation for a specific tax year. For more information on participating, visit www.irs.gov/Tax-Professionals/Annual-Filing-Season-Program.

EDUCATION: While continuing education is mandatory for the above types of tax return preparers, CE is encouraged for all tax return preparers. Enrolled agents and Annual Filing Season Program participants **must** take courses from IRS approved CE providers. A public listing of IRS approved CE providers is available at www.irs.gov/Tax-Professionals/Continuing-Education-for-Tax-Professionals.

DIRECTORY OF FEDERAL TAX RETURN PREPARERS WITH CREDENTIALS AND SELECT QUALIFICATIONS: The IRS provides a public listing on the IRS website of certain tax return preparers. The searchable listing includes the name, city, state, zip code, and credentials of all attorneys, CPAs, enrolled agents, enrolled retirement plan agents and enrolled actuaries with a valid PTIN. It also includes current year Annual Filing Season Program participants.

E-FILE REQUIREMENT: Preparers or firms that expect to prepare and file more than 10 income tax returns for individuals, trusts or estates must use IRS e-file to transmit the tax returns unless a waiver or a particular exemption applies. For more information, visit www.irs.gov/Tax-Professionals/e-File-Providers-&Partners/Become-an-Authorized-e-file-Provider.

IMPORTANT CHANGE COMING SOON

LIMITED REPRESENTATION: Beginning in 2016, the only tax return preparers with limited representation rights will be Annual Filing Season Program participants, meaning they can represent clients whose returns they prepared and signed, but only involving initial audits, customer service matters and before the Taxpayer Advocate Service. (To have limited representation rights for any tax return or claim for refund prepared and signed after December 31, 2015, return preparers must participate in the Annual Filing Season Program both in the year of return preparation and the year of representation.)

PTIN holders without an AFSP - Record of Completion or other professional credential will continue to have representation rights for returns prepared before December 31, 2015, but after that date will only be permitted to prepare tax returns, not to represent clients before the IRS (except for returns prepared before December 31, 2015).

Attorneys, CPAs, and enrolled agents will continue to be have unlimited representation rights and are permitted to represent clients before the IRS on any tax matters.

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